

## **The Role of Investment in the Development of the Country's Economy**

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### ***Abstract***

*The article provides a theoretical study of the importance of investment in the country's economy, the expected level of return on investment and investment strategy, and develops practical proposals and recommendations in this regard.*

**Keywords:** *investment, policy, technology, strategy, credit, capital, investment, privilege.*

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Uzbekistan has a number of advantages in attracting investment in all conditions to join the group of countries where large investments are directed. Uzbekistan's level of socio-economic development in the eyes of the world community, its geographical location on the world map, the composition and reserves of natural resources play an important role in the economic, political and other activities of the government. The growing number and creation of new enterprises with the participation of investments is the result of the great attention of our government to this area and the facilities created for them.

It should be noted that the importance of investment in the development of the manufacturing economy as a priority of economic policy in the development of our country, as well as its further improvement. Because, as mentioned above, it is necessary to bring foreign technologies and build complex modern joint ventures, develop competitive products through technical and technological modernization of enterprises, to ensure that they have customers in foreign markets.

In the first years of independence, the priorities of Uzbekistan's economic policy were identified, according to which the development and deepening of the investment base is considered a very important condition of the reform strategy (Figure 1).

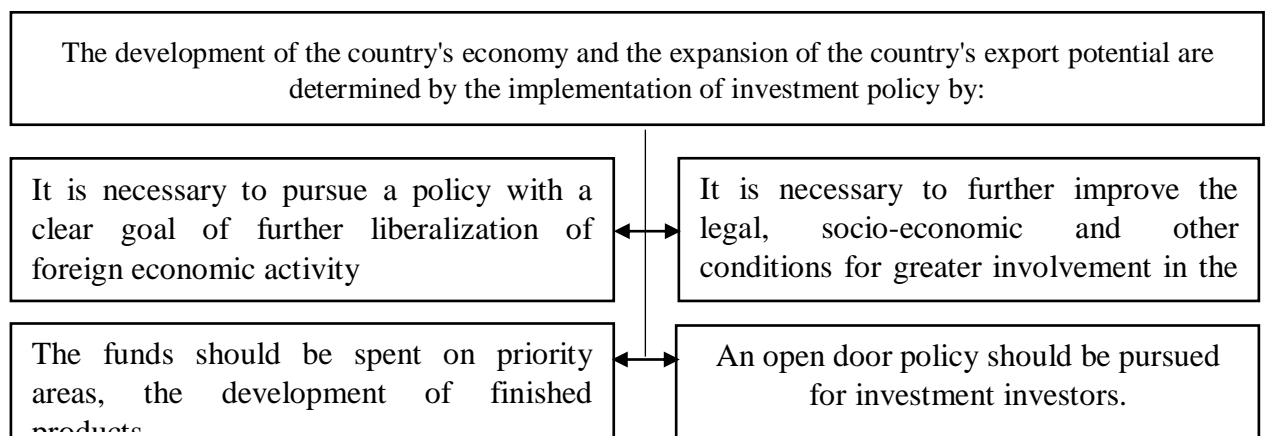


Figure 1. Strategy for attracting investment in the development of the country's economy.

It is well known that no country in the world has been able to achieve development and economic growth without attracting foreign investment [1]. That is why this work has become one of the priorities of our country's economic policy.

In the Republic of Uzbekistan, this policy is based on the following principles:

- ✓ liberalization of foreign economic activity;
- ✓ formation of a legal framework, socio-economic and other conditions that ensure the attraction of capital to the economy of the republic;
- ✓ Regularly pursue an open door policy towards foreign investors, providing technology that meets international standards and helping to build modern structures of the economy;
- ✓ to spend funds on the most important priorities related to the development of competitive products.

In this regard, the current legislation of our country provides a number of guarantees and benefits for foreign investors. At the same time, recognizing the need for foreign investment in our

economy, it is necessary to gain the trust of foreign investors in the investment policy of the Republic of Uzbekistan, the rule of law and, most importantly, the ability to pay. To this end, the creation of legal, socio-economic and other necessary conditions for the widespread attraction of investments in our economy, mainly in the form of direct capital investment, assistance in the establishment of joint ventures, as well as the interests of investors protection needs to be improved.

Of course, not every investor in the country is aware of its opportunities:

- Stability of the socio-political situation in the country;
- clear prospects for economic development;
- Consistency of economic reforms in the country;
- They are also interested in the fact that the preferential terms of investment laws are correctly defined.

As we attract investment, it will be difficult to tackle the task of radically restructuring the economy without mobilizing domestic savings and for businesses to engage in active investment. The focus of investment policy should be on encouraging enterprises to seek funding for production expansion, restructuring and technical re-equipment.

While attracting investment to the country's economy, our main task will be to develop the economy by attracting foreign investment and transforming the region from a supplier of raw materials into a producer of finished products.

### Analysis and results

At the initial stage of economic reforms in our country, the introduction of investments into the national economy was assessed as the future of entrepreneurship [2]. It was based on what the results of using this opportunity would be. Practical steps have been taken to ensure the solution of the identified measures and tasks. An extensive system of incentives for attracting investment has been created based on pre-defined principles in the implementation of measures to attract foreign investment. As a result, the growth of investments in fixed assets in the economy over the years in the regions in 2021 the plan for the Republic was fulfilled by 105.2%, but among the regions Kashkadarya region - 72.7%, Navoi region - 93.4%. Among the regions of Andijan, Bukhara, Syrdarya, Tashkent and Khorezm, 115.3%, 136.4%, 116.4%, 119.1% and 144.2% respectively. It had a positive effect on the performance of the indicator by 105.2% (Table 1).

**Table 1 Investments in fixed assets (growth rate, %)[3]**

<b>Territories</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Republic of Uzbekistan</b>	<b>105,7</b>	<b>104,2</b>	<b>109,4</b>	<b>104,1</b>	<b>119,4</b>	<b>129,9</b>	<b>138,1</b>	<b>95,6</b>	<b>105,2</b>
Republic of Karakalpakstan	76,2	63,9	133,5	56,2	60,4	169,9	100,3	69,9	102,1
Andijan	129,2	94,6	105,1	102,4	114,3	113,7	129,0	110,6	115,3
Bukhara	120,7	73,6	98,7	120,8	154,7	60,6	95,9	104,7	136,4
Jizzakh	111,5	118,0	96,9	102,7	108,2	158,1	194,9	147,4	104,0
Kashkadarya	116,2	67,4	112,4	108,9	129,7	112,4	131,2	76,5	72,7
Navoi	141,9	248,6	90,7	144,1	107,4	188,0	144,3	77,1	93,4

Namangan	97,1	90,3	108,5	108,2	110,2	178,1	131,1	88,0	102,9
Samarkand	110,6	127,4	115,8	103,4	105,7	131,4	134,5	128,8	112,0
Surkhandarya	136,4	95,8	110,3	107,6	148,4	164,2	144,0	77,4	103,2
Syrdarya	89,6	153,9	97,9	107,9	115,4	131,0	186,0	111,2	116,4
Tashkent	112,7	104,0	99,3	87,0	118,4	139,9	158,5	92,2	119,1
Fergana	119,2	107,3	98,7	97,1	98,6	145,9	132,0	113,5	108,2
Khorezm	44,1	133,8	87,2	97,8	128,5	111,7	150,7	92,7	144,2
Tashkent city	88,4	147,6	102,3	119,5	121,4	138,2	145,8	108,6	104,0

Attracting foreign investment and loans to the country's economy is one of the key aspects of foreign economic activity. To do this, first of all, it is necessary to create favorable conditions on the ground, that is, infrastructure. Today, the share of foreign investments and loans in the total volume of investments attracted to the Republic in the Republic of Uzbekistan in 2005 was 21.7% in 2005 and 23.8% in 2017. by 2021, it will increase by 1.8 times to 42.7 percent.

Percentage of foreign investments and loans in the structure of received funds

<b>Territories</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Republic of Uzbekistan</b>	<b>21,7</b>	<b>26,4</b>	<b>18,5</b>	<b>23,8</b>	<b>24,3</b>	<b>43,6</b>	<b>42,7</b>	<b>42,7</b>
Republic of Karakalpakstan	23,4	12,6	48,2	10,0	23,7	36,9	38,9	38,2
Andijan	19,6	8,2	4,4	7,2	14,8	39,6	36,3	49,0
Bukhara	10,8	63,2	35,9	71,0	44,0	53,9	48,2	60,0
Jizzakh	6,2	7,6	2,9	10,8	8,7	48,8	61,9	28,9
Kashkadarya	11,8	26,5	17,6	18,0	51,1	70,3	69,3	55,9
Navoi	23,5	25,2	3,0	24,2	34,0	39,9	67,8	60,2
Namangan	12,3	4,7	21,9	31,6	33,5	45,8	37,2	32,6
Samarkand	17,7	3,2	4,0	2,8	4,7	27,8	27,0	31,8
Surkhandarya	6,3	5,2	10,4	11,5	21,4	66,3	60,1	44,1
Syrdarya	17,6	9,6	10,8	4,6	9,6	44,8	48,7	56,7
Tashkent	16,6	16,4	15,3	12,0	9,6	26,0	26,7	37,8
Fergana	10,1	12,3	7,6	5,8	19,4	42,7	41,3	39,7
Khorezm	15,1	9,8	2,7	6,8	8,5	42,5	32,0	34,9
Tashkent city	42,3	39,5	13,0	18,1	15,1	36,7	29,9	39,6

Among the regions, the highest rate in 2021 was in Navoi region - 60.2%, followed by Bukhara region - 60.0%. Among the regions, the lowest rates are in Jizzakh, Samarkand, Namangan and Tashkent regions - 28.9%, 31.8%, 32.6% and 37.8%, respectively. Economic reforms are underway to increase this figure.

Another way to attract investment to the economy is to set up joint ventures on the basis of existing plants and factories.

In the second stage of economic reforms, taking into account the results of the practice of attracting foreign investment, it was aimed at introducing a system of incentives for investment activities, given that they have entered the areas of rapid profitability. The task is to create a strong mechanism to encourage investment by businesses and the population in order to increase production.

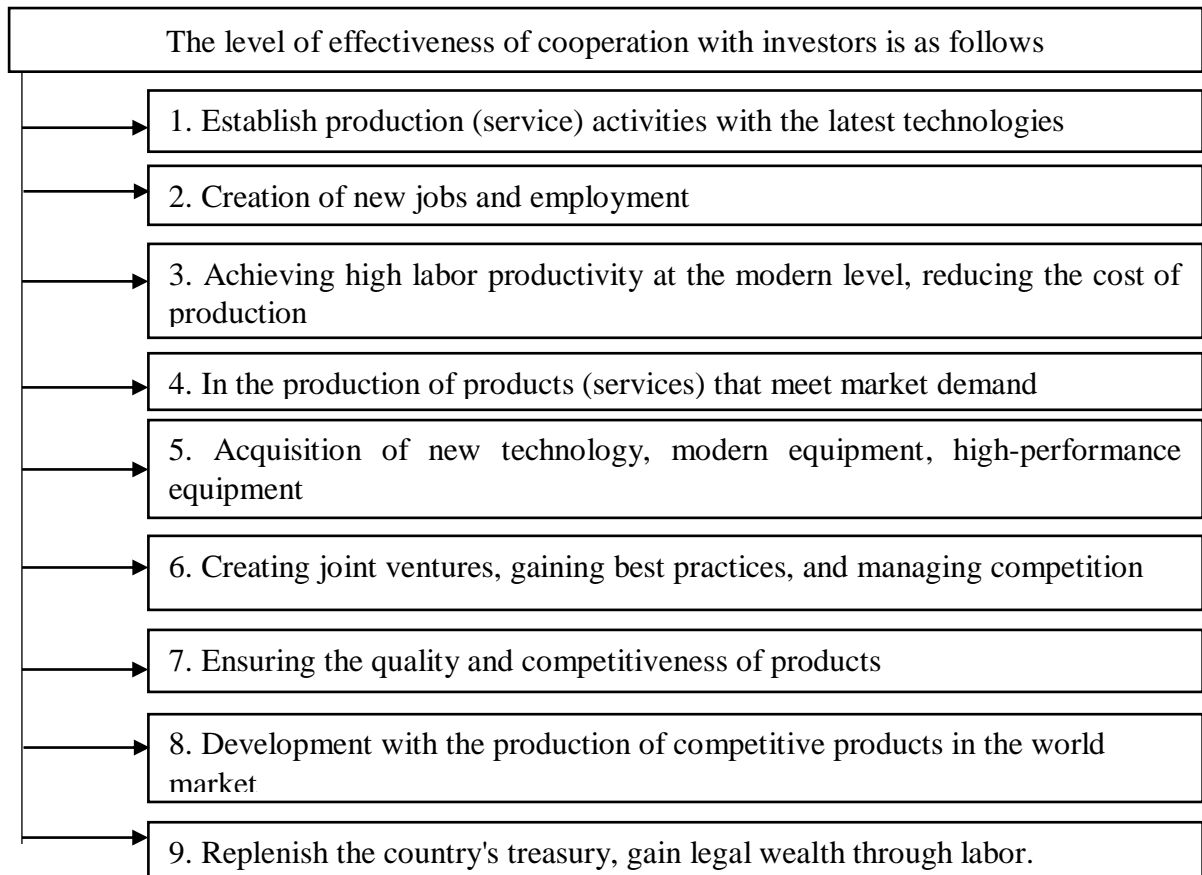


Figure 2. Expected level of return on investment[4].

The effects of foreign investment shown in Figure 2 can be sustained, as dialogue with foreign partners, cooperation with them, leads to radical structural changes in our national economy, increases the country's power, strengthens the position of our national currency, promotes prosperity. rides, improves our lifestyle. Most importantly, everyone will expand their opportunities, create a basis for a happy life, ensure the well-being of future generations, Uzbekistan will rise to the ranks of developed countries, every entrepreneur will be strong, will have unlimited opportunities. ladi. In the second phase of reforms in our country, the main focus was on the implementation of structural changes in our economy and the production of competitive material goods at the expense of rapidly mobilized foreign investment. This can be achieved through the mobilization of domestic investment and the widespread attraction of foreign investment.

**Conclusions and suggestions**

The essence of the investment relationship is reflected in the scope and level of participants in this activity. The existence of a separate investment relationship that reflects the objective conditions for the development of investment activities requires that it be an independent subject of regulation. From a legal point of view, the regulation of investment activities includes the norms of general legal and private legal regulation. The unity of these norms expresses the nature and essence of social and individual investment relations and becomes a way of regulating them. Regulatory methods are ways in which legal norms have a specific effect on the nature of both individual and socially necessary investment relationships.

The development and deepening of the investment base has been identified as a very important condition of the country's reform strategy, and in order to pursue a strong investment policy, the following priorities should be implemented:

- It is necessary to pursue a policy with a clear goal of further liberalization of foreign economic activity. At the same time, the introduction of a more preferential regime for the free use of income of foreign investors in the export and import of goods;
- further improvement of legal, socio-economic and other conditions for attracting direct capital investments in the economy of the Republic;
- Carrying out an open door policy towards foreign investors, which will help Uzbekistan to create a modern structure of the economy that will bring world-class technology;
- The funds should be spent on the priority areas - the development of the agricultural sector, fuel and energy sector and other basic industries that ensure the independence of the republic, the development of competitive, finished products. This is because it is impossible to expand export opportunities without restructuring the economy.

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